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United Nations Industrial Development Organization

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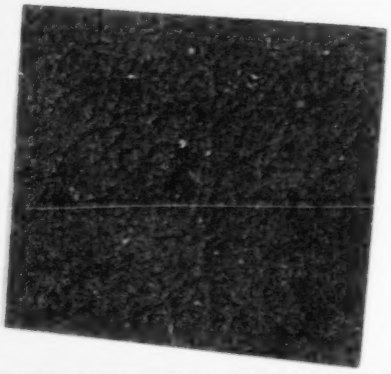
GENERAL CONFERENCE

Seventh session
Vienna, 1-5 December 1997

Industrial Development Board

Seventeenth session
Vienna, 23-27 June 1997
Item 4 of the provisional agenda



ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1996 ON THE ACTIVITIES OF THE ORGANIZATION, INCLUDING PROGRESS REPORT ON SPECIFIC ACTIVITIES

Establishment of an international centre for hydrogen energy technologies

Report by the Director-General

1. The Industrial Development Board at its sixteenth session, in decision IDB.16/Dec.2, requested the Director-General to submit a report to the Board at its seventeenth session on the progress made in the establishment of the international centre for hydrogen energy technologies.

2. Following the decision of the Board, consultations were held with the Government of Turkey. As a result of these consultations, an agreement between the Government of Turkey and UNIDO concerning the institutional arrangements for the centre was prepared and was submitted to the Government of Turkey for its consideration.

3. In addition, the Secretariat prepared a draft trust fund agreement and project document for the establishment and operation of the centre.

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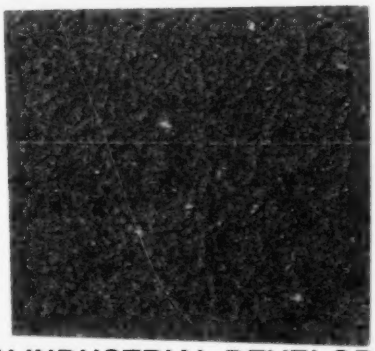

INTEGRATION OF WOMEN IN INDUSTRIAL DEVELOPMENT

Programmes and activities, 1996-1997

Report by the Director-General

Summary

Provides information on the UNIDO response to implementing the Platform for Action that emanated from the Beijing Conference, 1995, on projects aimed at enabling integration of women in development, and on refining and furthering the gender policy and strategy of the Organization.

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ABBREVIATIONS

FAO	Food and Agriculture Organization of the United Nations
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
ITC	International Trade Centre
NGO	Non-governmental organization
TSS-1	Technical support services at the programme level
TSS-2	Technical support services at the project level
UNDP	United Nations Development Programme

* * * * *

Introduction

1. In General Conference resolution GC.6/Res.5 the Director-General was requested to ensure the full integration of gender considerations into all UNIDO themes, programmes and activities; to contribute, as relevant to UNIDO mandates, to the implementation of the Platform for Action: Equality, Development and Peace adopted in 1995 by the Fourth World Conference on Women; and to secure the necessary financing for these activities within existing resources. It further requested the Director-General to pursue coordination within the United Nations system and with NGOs.

2. In reaffirming the renewed importance of the integration of women in industrial development, the General Conference also emphasized that the UNIDO response should be placed within the context of the Platform for Action: Equality, Development and Peace. UNIDO has thus reviewed its current programme development for the integration of women in industrial development within the context of UNIDO priorities and of those areas of concern in the Platform for Action relevant to UNIDO mandates. This explains the gradual shifting of emphasis in the UNIDO strategy and programmes from a strictly "women in development" perspective to the more focused "gender and development" approach adopted in the Platform for Action.

3. That notwithstanding, the transfer of the Integration of Women in Industrial Development Unit to the Human Resource Development Branch in March 1996 had some implications for the implementation of resolution GC.6/Res.5, as comparatively more emphasis was placed on development and implementation of technical cooperation projects than on the continuation of upstream and policy-setting activities undertaken in previous years. At the operational level, the transfer facilitated reinforcement of linkages between industrial and social development, in particular with regard to poverty alleviation and human resources development strategies.

I. INTEGRATION OF GENDER CONSIDERATIONS IN UNIDO THEMES, PRIORITIES AND PROGRAMMES (GC.6/Res.5, para. 1 (a))

4. The shift from a "women in development" approach towards a "gender mainstreaming" perspective had already been initiated in previous years. Gender training, guidelines on how to integrate gender into programmes and activities and gender impact assessments are some of the essential instruments necessary to ensure a full implementation of resolution GC.6/Res.5. UNIDO has been active in developing the first two instruments. For the period under review, the most visible example was the development and implementation of gender training workshops for UNIDO staff at Headquarters and in the field. The objective of the workshops was to provide UNIDO staff members with the opportunity to acquire specialized knowledge on the concepts of "gender" and "gender analysis" and how to apply them at the policy and operational levels. This exercise was concluded in mid-1996, with encouraging results in terms of number of staff trained, training manuals developed and knowledge acquired. However, it has not been possible to train all UNIDO staff nor to undertake, as yet, an impact assessment of the training provided. Lessons learned from this experience and that of other agencies in the United Nations system indicate that, while gender training is a prerequisite for achieving gender mainstreaming, it cannot be considered as the only means to reach that objective. More will need to be done as demonstrated by an internal desk study of UNIDO projects in 1995, which reveals that approximately one fifth of projects approved or under implementation have a gender perspective integrated therein.

5. It has been possible to integrate a gender perspective in most of the seven UNIDO thematic priorities, with special emphasis on priorities 2 (environment and energy), 3 (small and medium enterprises), 6 (rural industrial development) and 7 (Africa and the least developed countries). Component coordinators have been provided with specific guidelines on how to integrate gender into the various components. These guidelines will be further refined, as appropriate, to meet the needs of the component coordinators and programmes beneficiaries.

6. A combined strategy has been applied in terms of programmes and activities in the above fields. This features the integration of gender considerations across the board in accordance with UNIDO policy to take into account fully the different needs, status or roles of men and women in the industrial development process. The strategy also provides for a continuation of a "women specific" approach, as and when required, to level the playing field in those areas where gender disparities are greatest and need to be addressed as a priority.

7. At the global forum level, the integration of gender issues, together with the specific programmes relating to thematic priorities 6 and 7, greatly facilitated the introduction of a gender perspective into the discussions and preparatory documents for the launching of the Alliance for Africa's Industrialization at Abidjan in October 1996. At the operational level, and in particular in connection with thematic priority 6, the full integration of gender issues was possible in the implementation of TSS-1 studies in Bangladesh and Guatemala. Both TSS-1 missions aimed at rural industrialization, particularly in view of the large-scale UNDP poverty alleviation programme for Bangladesh and conclusion of the peace accord in Guatemala. In Bangladesh, the emphasis is on entrepreneurial activities for the rural community with rural women as the target. In Guatemala, particularly in the Heuhuetenango Department, an integrated programme was developed to address capacity-building for three major actors involved in rural development: the Government Peace Fund (FONAPAZ), a federation of local business organizations (ASEDECOHUE) and the indigenous Mayan organization of Guatemala (COPMAGUA). Specific expertise is included to provide integrated assistance to rural and indigenous Mayan communities, specifically to women.

8. As far as women-specific activities are concerned, five ongoing programmes can be mentioned:

(a) The high impact programme on the development of entrepreneurship for women, elaborated within the UNIDO reform process at the end of 1995, has taken momentum and is now under implementation in four African countries (Côte d'Ivoire, Mali, Senegal, Zimbabwe). In Mali, a full-fledged integrated national programme for the development of entrepreneurship for women in food-processing industries is ongoing. The participatory workshop organized by UNIDO at the beginning of project implementation demonstrated the relevance of the approach and enabled the building of consensus among the actors involved at the national level.

(b) Implementation continued of various projects applying the UNIDO training programme for women entrepreneurs in food-processing industries (Botswana, the United Republic of Tanzania, Viet Nam and Central America). The experience gained from the project in the United Republic of Tanzania—now in its full consolidation phase—has enabled UNIDO to refine its methodology and to develop training modules in other sectors, i.e. essential oils processing.

(c) The thematic programme on women entrepreneurs for industrial growth in selected subsectors is now under full implementation in Kenya and the United Republic of Tanzania in the textiles and related products subsectors. Large-scale projects have also been developed in Ghana in the textile and food-processing subsectors.

(d) The training programme for women managers in China is entering its final phase. Selected Chinese trainers will be trained to become special instructors who could teach other instructors to apply the methodology and utilize the training modules contained in the model training package.

(e) The co-financed IFAD-UNDP-UNIDO project in Burkina Faso and Mali for development and dissemination of food-processing and related equipment for rural women in sub-Saharan African countries has gained a new momentum with the involvement of UNDP in the project in Mali and with the interest raised by the demonstration of the technology developed through the project on the occasion of the launching of the Alliance for Africa's Industrialization.

II. IMPLEMENTATION OF RELEVANT SECTIONS OF THE PLATFORM FOR ACTION: EQUALITY, DEVELOPMENT AND PEACE IN THE UNIDO FOLLOW-UP PLAN OF ACTION (GC.6/Res.5, para. 1 (b))

9. Among the 12 critical areas of concern identified in the Platform for Action, four are of particular relevance to UNIDO mandates: (a) the persistent and increasing burden of poverty on women; (b) inequalities and inadequacies in, and unequal access to, education and training; (c) inequality in economic structures and policies in all forms of productive activities and in access to resources; and (d) gender inequalities in the management of natural resources and in the safeguarding of the environment. The underlying bond linking both these particular areas and the seven thematic priorities is the interrelation between industrial and social development geared towards promoting sustainable industrial development in developing countries and economies in transition.

10. In the context of those areas of concern, the main focus of the UNIDO Follow-up Plan of Action is to increase the visibility and enhance the contribution made by women to industrial development through building up better skilled and better equipped women as manufacturers, technicians, managers, entrepreneurs or workers, keeping in mind the prevailing increased competitiveness resulting from technological and structural changes in global economy and the industrial sector. To that effect, the three main components of the UNIDO Plan of Action are: the development of support mechanisms for an enabling gender-sensitive environment; the development of technical and managerial skills and human resources development; and the promotion of investment and information networks for women entrepreneurs. A brief outline of these components and related activities is provided below.

11. The first strategic objective is the promotion of gender-sensitive industrial strategies to facilitate the integration of women in industrial development and to increase the promotion of women in managerial posts in industry. The underlying principle is that the advancement of women in the industrial development process cannot be addressed solely from the perspective of the requirements of industry, but must take into account women themselves, as actors and contributors to the process as a whole. The participation of women in the manufacturing labour force is not low in quantitative terms only but lower in qualitative terms, with strong vertical and horizontal segmentation and high gender disparities. Thus, it is necessary to devise strategies and approaches to integrate gender perspectives in national policies, generate and disseminate gender-segregated data and information for planning and evaluation. Five different types of activities are foreseen under this component:

(a) Integrated national programmes for the integration of women in industrial development. This is based on the results of the five regional analyses on the participation of women in the manufacturing sector carried out by UNIDO in preparation for the Beijing Conference and their practical application at the national level. In this connection, in 1996 a pilot project was implemented in Colombia during which the feasibility of the approach and of the methodology was tested. The experience gained in the project has generated the interest of potential donors, in particular the Inter-American Development Bank. A similar programme is now being developed for countries that are members of MERCOSUR;

(b) The database for women in industry developed by UNIDO as a result of the above-mentioned studies provides gender-specific statistical data and 109 indicators covering 217 countries and territories. The database is available for use by national statistical offices, women's affairs or planning departments, or other interested institutions. Cooperation will be sought from the United Nations Statistical Division for the further development and dissemination of the database;

(c) Gender sensitization seminars and workshops to strengthen the capacity of national institutions in raising gender awareness among men and women on the

importance of integrating women in industrial development;

(d) Women and industry recognition awards to motivate Governments and industrialists alike in adopting and implementing gender-sensitive strategies and enhancing the advancement of women in decision-making positions in industry;

(e) A networking facility for women in industry to be promoted as a forum for the exchange of views, information and technology and to link producers/manufacturers and buyers.

12. The second strategic objective is the development of entrepreneurship and human resources for industry to facilitate the access by women to new and non-traditional types of industry and to new skills requirements in this field. The underlying principle of the objective is to provide women managers in the corporate sector and entrepreneurs in small- and medium-scale industries with the necessary support to achieve competitiveness in the context of globalization. Under this component, seven programmes are foreseen, of which five are already well developed and under implementation:

(a) The high impact programme for development of entrepreneurship for women (see para. 8 above);

(b) Training programmes for women entrepreneurs in selected industrial subsectors. The two major programmes referred to in paragraph 8 above will be continued and developed in coordination with the high impact programme;

(c) Introduction of appropriate technologies for women in rural areas. Based on the lessons learned from the project implemented in Burkina Faso and Mali (para. 8 (e) above), and the interest expressed by several countries (Guinea, Nigeria, Senegal, Togo), the programme will be adapted for replication throughout the African region and in least developed countries;

(d) Model training packages for women managers and entrepreneurs in economies in transition. The methodology applied and experience gained from the development of the training package for China (para. 8 (d) above) will be used for promoting this programme in other countries with economies in transition. The cooperation of other United Nations agencies, such as ILO, will be sought;

(e) Development of specific training modules for women managers. The objective is to focus on those aspects of capacity-building and decision-making qualities in women managers which would provide them with new dimensions to enhance their participation at the managerial level;

(f) Seminars on promotion of women managers in cooperation with other United Nations agencies and NGOs, at both national and regional levels;

(g) The Human Resource Diagnosis and Reorientation Map (HRD-ROM) will be used to facilitate national capacity-building for developing a sound human resource base for women in industry and to enhance their competitiveness.

13. The third strategic objective is the promotion and development of a network of outreach mechanisms for women in industrial development. The focus of the mechanisms is to optimize access to and utilization of information and other support services already available at both national and international levels for the benefit of women through the establishment of network mechanisms and outreach facilities. This component will also comprise the further development of training programmes for women managers and entrepreneurs in the preparation of appraisal and feasibility studies, project promotion and implementation, based on the experience gained in India in 1994-1995 in the context of the project for development of entrepreneurship for women.

14. As can be seen from the above, the UNIDO Follow-Up Plan of Action integrates fully the ongoing activities but in a more focused and structured manner. New activities are proposed on a selective basis and only in those fields where gaps have been identified in the development of a comprehensive programme. The Plan is also consistent with the inputs to be provided by UNIDO for the implementation of the United Nations System-Wide Medium-Term Plan adopted by the Commission on the Status of Women in 1996.

III. COORDINATION WITH OTHER UNITED NATIONS AGENCIES AND NGOs (GC.6/Res.5, para. 1 (c))

15. As a follow-up to the Fourth World Conference on Women, the Administrative Committee on Coordination (ACC) established an Inter-Agency Committee on Women and Gender Equality, chaired by the Special Adviser to the Secretary-General of the United Nations on Gender Issues. The Committee held its first two sessions in October 1996 and March 1997. UNIDO was an active participant in both sessions, and the opportunity was taken to interact and inform other United Nations agencies of UNIDO programmes and projects. Gender mainstreaming approaches in the United Nations system are the subject of current discussions in preparation of the substantive report

to be submitted to the coordination segment of the 1997 session of the Economic and Social Council.

16. Coordination and cooperation possibilities have been identified with FAO, IFAD, ILO and ITC on various activities presented above in relation to the UNIDO Follow-up Plan of Action. In addition, continued cooperation with IFAD and UNDP will be pursued on specific projects (paras. 8 and 12 above). Cooperation with the United Nations Division for the Advancement of Women was concretized through the UNIDO contributions to two meetings organized as a follow-up to Beijing: the Subregional conference of senior governmental experts on the implementation of the Platform for Action in Central and Eastern Europe (Bucharest, Romania, September 1996) and the Expert group meeting on vocational training and lifelong learning (Turin, Italy, December 1996).

17. Regular contacts have been maintained with selected NGOs in consultative status with UNIDO. As such, UNIDO participated in panels and discussions organized at the XXII International Congress of Business and Professional Women held at Venice, Italy, in July 1996. UNIDO programmes were promoted during the 1996 meeting of the International Steering Committee on Economic Advancement of Rural Women (Amman, Jordan, May 1996). At the regional level, UNIDO financed the participation of three women entrepreneurs from Burundi at the first Global Women Entrepreneurs Trade Fair and Investment Forum organized by the Ghana Association of Women Entrepreneurs (Accra, Ghana, June-July 1996). Cooperation was maintained with the Non-Governmental Liaison Service and UNIDO led the discussions on women and business at the United Nations NGO consultation meeting on women in the Russian Federation (April 1996). In terms of operational activities at the national level, national NGOs—as critical actors in all projects relating to entrepreneurship development—participate in the implementation of project activities.

IV. SECURING FINANCING FOR THE IMPLEMENTATION OF THE PROGRAMME (GC.6/Res.5, para.1(d))

18. During the period under review, it was possible to secure a reasonable amount of funding from various resources, within or outside UNIDO. As in previous years, the primary source of funding of programmes that specifically target women was special-purpose contributions to the Industrial Development Fund. Such contributions enabled the implementation of the high impact programme on the development of entrepreneurship for women (Belgium, Germany), the new phase of the training programme for women entrepreneurs in the food-processing industries in the United Republic of Tanzania (Austria), the third and last phase of the model training package for women managers in China (Germany), and the high impact programme on introducing new technologies for abatement of global mercury pollution in the United Republic of Tanzania (Japan). Sources of funding were diversified through a very substantial contribution from UNDP to consolidate a project to develop and disseminate appropriate technologies to women in rural areas, already co-financed by UNIDO and IFAD. In this connection, UNDP emerged as a new potential partner in support of gender-oriented programmes developed by UNIDO under TSS-1 (Bangladesh, Guatemala) or TSS-2 (Togo) facilities.

19. New potential partners and donors were identified for projects in the Latin American region, where the Inter-American Development Bank expressed interest in some of the programmes implemented by UNIDO (see para. 11 (a) above). In 1997 UNIDO will implement, at the request of, and in cooperation with, the African Development Bank a further poverty alleviation programme.

V. CONCLUSIONS

20. As indicated in the introduction to the present document, UNIDO activities during the reporting period for the integration of women in industrial development focused primarily on the development and implementation of technical cooperation projects, including the mobilization of funds for that purpose. At the same time, it was possible to pursue critical work to refine and further the gender policy and strategy of the Organization, in particular the development of guidelines for the integration of gender issues into the seven thematic priorities and to formulate a UNIDO Follow-up Plan of Action for the implementation of the Platform for Action adopted in Beijing. While the gender mainstreaming approach has now been introduced, considerable effort is still needed to achieve more visible results, in particular in the development of gender impact assessment and analytical methodologies and indicators.

VI. ACTION REQUIRED OF THE BOARD

21. The Board may wish to take note of the information contained in the present document and provide guidance for further action.

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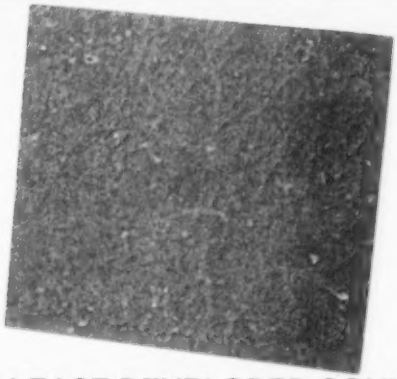

INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES

Implementation of the least developed countries programme

Progress report by the Director-General

Summary

Reports on activities and special measures initiated, approved and/or under implementation in the least developed countries during the period 1 September to 31 December 1996 and 1 January to 30 April 1997.

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ABBREVIATIONS

CAMI	Conference of African Ministers of Industry
COMESA	Common Market for Eastern and Southern Africa
IDDA	Industrial Development Decade for Africa
IDF	Industrial Development Fund
IPS	Investment Promotion Service
LDC	least developed countries
NALFIS	National Leather and Footwear Industry schemes
QSTM	quality, standardization, testing and metrology
RALFIS	Regional Africa Leather and Footwear Industry Scheme
TSS-1	technical support services at the programme level
TSS-2	technical support services at the project level
UNCTAD	United Nations Conference on Trade and Development

* * * *

Introduction

1. The Industrial Development Board at its sixteenth session took note of the information contained in document IDB.16/13 on the activities of the least developed countries (LDC) programme from 1 April to 31 August 1996 (IDB.16/Dec.14). In the same decision the Board requested the Director-General to accord highest priority to the implementation of the LDC programme, taking into account the conclusions and recommendations of the Second and Third Ministerial Symposiums, to intensify efforts to mobilize funds for industrialization of LDCs, to further intensify efforts in the area of industrial investment promotion in LDCs, to further enhance the programmes for ecologically sustainable industrial development in LDCs and to continue to report on the implementation of projects in LDCs. The present document is submitted in compliance with that decision.

2. The present document updates and supplements information provided in document IDB.16/13 and thus covers activities and special programmes that were approved or initiated and those under implementation during the period 1 September 1996 to 30 April 1997. The present document complements and amplifies information provided on LDCs in the *Annual Report of UNIDO 1996* (IDB.17/10, chap.V) and should therefore be read in conjunction therewith.

I. STATUS OF IMPLEMENTATION

3. Significant improvement was observed in implementation of high priority programmes during the reporting period. Delivery increased in 1996 by 20 per cent ($10.3 million) as compared to 1995 ($8.6 million). Of this total, $8.6 million (84 per cent) went to African LDCs (including Arab LDCs in the region). This amount does not include regional, interregional and global projects from which LDCs benefited together with other developing countries.

4. The upward trend in delivery continued in 1997. During the first quarter the total delivery to LDCs amounted to $4.87 million, which represents an increase of $1.2 million (33 per cent) as compared with the same period in 1996 ($3.65 million). Technical cooperation delivered in the reporting period covered such priority areas as capacity-building, mainly in human resources development with emphasis on development of entrepreneurship for women, investment promotion, small and medium industries development, private sector development and energy and environmental programmes. A detailed list of UNIDO technical cooperation projects to all countries, including LDCs, is contained in addendum 2 to the *Annual Report of UNIDO 1996* (IDB.17/10/Add.2).

5. Net project approvals for LDCs showed also a significant improvement in 1996. A total of $13.2 million was approved under all resources, indicating an increase of 74 per cent compared to 1995 ($7.6 million). Of this total $11.7 million, or 89 per cent, went to African LDCs (including African Arab LDCs). These amounts do not include global, interregional and regional projects from which LDCs benefited together with other developing countries.

II. FOCUS ON PRIORITY PROGRAMMES

6. The LDC programme continued to receive highest priority among UNIDO priority programmes. Capacity-building and upstream activities, human resources development with special emphasis on development of

entrepreneurship for women, investment promotion, small-scale and private sector development as well as environmental programmes are the main focus of UNIDO activities in LDCs. In response to the requests of Member States during the Second and Third LDC Ministerial Symposiums, and in line with the highest UNIDO priority being the needs and requirements of LDCs, UNIDO work related to LDCs focused on the following activities in the reporting period.

A. Africa and the least developed countries: Linking industry with agriculture (thematic priority No. 7)

7. As part of the Regional Africa Leather and Footwear Industry Scheme (RALFIS), four country projects were approved between September and December 1996 for Malawi, Uganda, the United Republic of Tanzania and Zambia. These projects, with a total value of $1.96 million from IDF and IDDA resources, aim at assisting the National Leather and Footwear Industry schemes (NALFIS) of the above countries. Specifically, the projects are designed to improve the quality of raw hides and skins in designated areas, to strengthen the production capacity of the local tannery industry and the marketing performance of small-sized manufacturers of footwear and leather goods. Furthermore, the projects aim at enhancing the efficiency of tannery effluent treatment plants. All four projects are currently under active implementation.

8. Under combined funding from IDF and IDDA resources, a project was approved ($765,276) for product and market development for sisal and henequen in Kenya and the United Republic of Tanzania. The project will be complemented by a parallel project on bio-energy development using sisal wastes, to be financed by the Government of the United Republic of Tanzania and other donors.

9. A start-up mission to three LDCs by the UNIDO project manager was carried out in April and early May 1997 to brief the national technical coordinators on the project—UNIDO high-impact programme on the application of quality principles to the food-processing sector in East Africa—its objectives, activities, outputs and to launch the country surveys. Nomination of the focal points for the project and recruitment of the national coordinators are under way.

10. As a result of country studies carried out under a preparatory phase from June to September 1996, two high-impact programmes were developed in April 1997 for the LDCs in Western Africa and Asia and the Pacific on the application of UNIDO quality principles to the food-processing sector. The proposed programme for the Western Africa subregion (estimated cost $2.5 million) covers eight countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Niger, Senegal, Togo), six of which are LDCs. The proposed programme for the Asia and the Pacific region (estimated cost $2.4 million) covers seven countries (Bangladesh, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal, Thailand, and Viet Nam), five of which are LDCs. The regional programmes are being submitted to potential donors for consideration.

11. The preparatory phase for formulation of an agro-related industrial development programme for African countries including LDCs was completed in December 1996. The outcome of this phase includes: (a) a detailed study on the current situation, the need for developing specific agro-related industries, as well as strengthening industry-agriculture linkages in selected African countries (including LDCs) with a view to assisting them in enhancing their competitiveness based on potential comparative advantage; and (b) a detailed project document aimed at ensuring food security, increasing agricultural productivity and outputs, increasing resource flows and competitiveness in agro-based industries. The above study and document were discussed at the Conference of African Ministers of Industry (CAMI), held at Accra, Ghana from 19 to 28 May 1997.

12. A project approved in April 1997 for Angola ($171,000) under IDF resources aims to develop the use of a natural resource (wood) for fabrication and construction of prefabricated modular elements. Another project, approved in November 1996 under SIS funding ($24,500), covered advisory services for the rehabilitation of a wood-processing plant in the Huambo region.

13. Advisory services are being provided under an IDDA-funded project ($36,870) in Mali to develop the mango-processing industry. The result of the project will be a case study on the Sikasso region for consideration of the Government.

B. Other priority areas of technical cooperation

Human resources development, including women entrepreneurs

14. The second phase of the training programme for women entrepreneurs in the food-processing industry in the United Republic of Tanzania was approved in November 1996 under a special-purpose contribution from Austria to IDF with a total value of $620,000. The aim of the first phase was to lay the groundwork for increasing the participation of women in small-scale

food-processing industries. The main purpose of the second phase is to ensure the sustainability of the ongoing (first phase) project through the development and strengthening of institutional arrangements, development of a new training programme and setting quality control standards. Under a TSS-1 project financed from UNDP resources ($51,000), UNIDO is carrying out a comprehensive review of national training needs, policies and programmes as well as formulating an integrated industrial human resources development and training programme for the United Republic of Tanzania.

15. A training programme on industrial project preparation and appraisal was implemented from 25 November to 13 December 1996 at Ahmadabad, India, for 25 participants (mostly women) from 16 African and Asian countries, of which nine were LDCs. The project helped in enhancing the role of women in the industrial development process. As a follow-up, a new project was agreed in principle (approximately $400,000) to be financed under the Indian voluntary contribution to IDF. This project will provide training opportunities for participants of African and Asian LDCs in entrepreneurship development, project formulation and investment promotion activities.

16. An international workshop was held at Lucknow, India, from 5 to 8 May 1997, on bioactivity screening and evaluation of medicinal plants. The workshop, which was financed under IDF resources ($43,500), trained scientists from 17 African and Asian countries, including seven LDCs, in biological toxicity evaluation of traditional medicinal plants. It is expected that the workshop will lead to requests for technical cooperation in setting up and strengthening laboratories in participant countries.

17. An in-plant group training programme on food and vegetable processing, approved under IDF resources ($44,723), was conducted in Turkey from 23 September to 1 November 1996. The programme upgraded the knowledge and skills of participants from seven African and Asian countries, including four LDCs (Ethiopia, Rwanda, Sudan, Uganda).

18. Under IDF resources ($83,410), a training programme was approved for 13 participants from African countries including seven LDCs (Ethiopia, Lesotho, Malawi, Mozambique, Sierra Leone, Uganda, Zambia) on maintenance of bio-medical electronic and computer-assisted equipment. The programme will enable participants to improve strategies and programmes related to maintenance and repair of bio-medical equipment and to increase utilization of existing bio-medical instruments in hospitals and health-care centres. The programme is scheduled to be held at Budapest, from 2 to 7 June 1997.

19. A project was approved under IDDA resources ($190,000) to train delegates from selected African francophone countries including two LDCs (Guinea, Togo) at UNIDO Investment Promotion Service (IPS) offices. The project will assist the selected participants in investment promotion techniques and promotion of specific investment projects in the host country.

Investment promotion

20. On the occasion of the launching of the Alliance for Africa's Industrialization, a round-table of African investment promotion agencies was held at Abidjan, Côte d'Ivoire, in October 1996, at which the possibility of networking their agencies with UNIDO IPS offices was discussed. A second round-table of investment promotion agencies was held in conjunction with the thirteenth meeting of CAMI in May 1997. The main objectives of the second round-table were to assist investment promotion agencies in: (a) developing an optimal organizational structure; (b) strengthening their capacity in the implementation of projects; and (c) improving their investment promotion activities through networking. The ultimate aim of the round-table meetings is to promote, through strengthening of the national investment promotion agencies, the growth and development of industries, particularly joint industrial projects in Africa (including 15 LDCs) with particular emphasis on private sector development.

21. A joint UNIDO-UNCTAD pilot seminar on mobilization of international investment funds for LDCs will be held in Geneva from 23 to 25 June 1997. In preparing for the above seminar UNIDO conducted, under its own resources, seven country studies on Bangladesh, Burkina Faso, Madagascar, Togo, Uganda, United Republic of Tanzania and Zambia with a view to examining the prospects for and constraints to the investment fund flows in those LDCs. In April 1997, the country case studies were discussed at an expert group meeting held in Vienna, with participants from concerned LDCs and consultants. Based on the outcome of the expert group meeting, the country studies were finalized and submitted as official documents for the pilot seminar.

22. A round-table of IPS offices and investment promotion agencies in the Asia and Pacific region will be held at Manila from 28 to 30 May 1997. Under a project approved under the Regular Programme of Technical Cooperation ($47,000), analysis will take place of the trends and possibilities of mobilizing foreign direct investment to developing countries in the Asia and Pacific region with special emphasis on selected LDCs (Bangladesh, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal, Samoa, Solomon Islands).

23. In the context of the programme for the second Industrial Development Decade for Africa (IDDA), a regional investment promotion programme was approved ($170,000) for selected Southern African countries (Botswana, Lesotho, Mozambique, South Africa, Swaziland, Zimbabwe) two of which are LDCs. The programme includes an investment forum to be held in South Africa in early 1998 as well as the development of investment projects in LDCs, which will be identified, formulated, screened and promoted through the UNIDO IPS offices and other focal points.

Industrial strategies, capacity-building and private sector development

24. In response to the recommendations of the Third LDC Ministerial Symposium and UNIDO General Conference resolution GC.6/Res.8, UNIDO provides active support to 18 African LDCs in establishing an effective information network in those countries. A similar project was approved in April 1997 under Regular Programme funds ($120,000) for six LDCs and two low-income economies in the Asia and Pacific region (Bangladesh, Bhutan, Cambodia, Democratic People's Republic of Korea, Lao People's Democratic Republic, Mongolia, Myanmar, Nepal).

25. A large-scale project was approved under IDDA resources ($1.77 million) to assist 12 English-speaking African countries including six LDCs (Ethiopia, Malawi, Sudan, Uganda, United Republic of Tanzania, Zambia) in carrying out their investment, technology and information programmes. These programmes aim at: (a) strengthening capacity-building in matters related to investment, technology and information at the enterprise level; and (b) assisting the private sector through the promotion of foreign direct investment and technology transfer in the form of cooperation or joint-venture and strategic business alliances at the institutional level.

26. A project on the establishment of an Industrial Information Unit in Sudan was approved in April 1997 under IDDA resources ($308,000) which aims at providing planning, managerial and infrastructural assistance to the Ministry of Industry. The project will enable planners and decision makers to formulate industrial policies and strategies, plans and programmes for the benefit of the private sector as well as the public sector.

27. In response to a recommendation of the Third LDC Ministerial Symposium a project was approved in April 1997 under the Regular Programme and from supplementary IDDA funds ($250,000) that aims at assessing the existing physical and institutional capacities in 10 African and five Asian LDCs in the field of quality, standardization, testing and metrology (QSTM). This project will result in identification of priority needs of the selected LDCs in QSTM and formulation of country and subregional projects to strengthen local capacities in the same field. The project also aims at sensitizing the relevant international actors to the specific problems of LDCs in the field of QSTM.

28. A regional project was approved under special-purpose voluntary contributions to IDF ($803,300) in November 1996 to assist the COMESA countries, including seven LDCs, in rehabilitating and upgrading their metallurgical industries with special emphasis on the iron and steel sector. The project will assist the member States of COMESA to enhance coordination, cooperation and networking in the field of metal and engineering industries.

29. UNIDO is providing assistance to the Government of the Solomon Islands in carrying out a UNDP-funded project ($550,000) that aims to create some 1,500 job opportunities and a concomitant sustainable livelihood. The project will strengthen the capability of the Ministry of Commerce, Industries and Employment to promote small-scale and cottage industries nationwide with effective linkages with other national organizations.

30. Under combined funding by UNDP and UNIDO ($109,000) approved in February 1997, UNIDO is preparing a comprehensive report on the prospects for development of entrepreneurship for women and poverty alleviation, particularly in rural areas in Togo. The report will be submitted to the African Development Bank, which has earmarked resources for carrying out an integrated programme in rural poverty alleviation.

31. TSS-1 projects were approved for Cambodia and Yemen, under which UNIDO supports the formulation of national strategies for the promotion and development of micro- and small-scale enterprises.

32. A TSS-2 project enables UNIDO to provide advisory services to Malawi in carrying out its national programme on enterprise development and employment generation. The advisory services consist of technical monitoring of the programme and analysis of technical and evaluation reports and review missions.

33. Two TSS-1 projects were approved for a feasibility study to establish an industrial free zone (Benin) and the elaboration of a new investment code (Guinea-Bissau). The projects aim at promoting exports from, and mobilizing foreign investments for, those countries.

34. In December 1996 a needs assessment was carried out under a TSS-1 project of the potentials and constraints for the development of the industrial sector in Samoa. UNIDO recommendations on the design, formulation and implementation of short-, medium-, and long-term industrial development policies for the country have been submitted to the Government for consideration.

35. Preparatory assistance was provided to Ethiopia for setting up a rural technologies centre for the design, development and manufacture of farm implements and agricultural machinery. Similar assistance was provided to the United Republic of Tanzania for establishing rural technologies centres for the informal metal-working sector. Follow-up recommendations have been transmitted to both Governments.

36. Preparatory assistance for Myanmar was provided in formulating a large-scale cooperation programme for the textile industry between that country and Thailand. This programme of cooperation on technology transfer will help Myanmar to enhance its technological competitiveness in textile industries.

37. A workshop is scheduled to be held at Harare from 8 to 10 September 1997 on the promotion of aromatic plant products for selected African countries, five of which are LDCs (Ethiopia, Malawi, Uganda, United Republic of Tanzania, Zambia). The project will contribute to transferring recent information on quality, packaging and other export requirements of the European and American markets for aromatic products. It will also provide a forum to discuss possible joint venture arrangements between LDCs on the one hand and partners from developed and developing countries on the other.

Environmental programmes

38. Under a regional project financed from IDDA resources ($89,000), UNIDO is providing policy advice to eight African countries, including five LDCs (Guinea, Niger, Uganda, United Republic of Tanzania, Zambia) on their ecologically sustainable industrial development programmes. The project will enable the Governments of the selected countries to rationally exploit natural resources, combat industrial pollution and have access to information on new non-polluting technologies.

39. An expert group meeting financed under IDF resources ($67,000) will be held in Vienna from 24 to 26 June 1997 on UNIDO high-impact programmes, introducing new technologies for abatement of global mercury pollution deriving from artisanal gold mining in Africa. Two African LDCs (Ethiopia, United Republic of Tanzania) are expected to participate in the meeting. The same subject will be introduced under preparatory assistance to five Asian countries (Indonesia, Lao People's Democratic Republic, Myanmar, Papua New Guinea, Philippines), two of which are LDCs. It is expected that the project, approved under IDF resources ($30,000), will result in the development of a regional programme, thereby integrating the environmental impact of small-scale gold mining in the Asia region.

40. Under Montreal Protocol funds preparatory assistance for Guinea was approved ($20,000) that will enable the formulation of investment projects in the foam manufacturing sector.

III. ACTION REQUIRED OF THE BOARD

41. The Board may wish to take note of the information provided in the present document.

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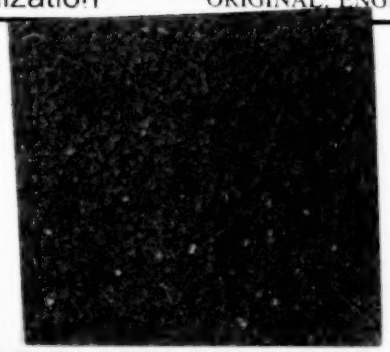

INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES

Implementation of the least developed countries programme

Progress report by the Director-General

Summary

Updates the information provided in document GC.7/9 and reports on activities and special measures initiated or implemented from 1 May to 30 September 1997.

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I. STATUS OF IMPLEMENTATION

1. The upward trend in delivery of priority programmes to least developed countries (LDCs) continued during the second and third quarters. Total delivery to LDCs in 1997, as at 30 September, amounted to $9.4 million, representing an increase by $1 million or 12 per cent as compared with the same period in 1996.

2. Within the context of special regional programmes for African and Asian LDCs, implementation of two major programmes, initiated in response to the recommendations of the Third Ministerial Symposium, was actively pursued during the reporting period:

(a) A preparatory assistance project assessed the needs of 18 African LDCs in establishing an effective network of industrial information centres. Similar preparatory assistance for six LDCs and low-income economies in Asia and the Pacific is under active implementation. As a result of these preparatory assistance activities, country project documents for all the LDCs covered (with a total value of some $5 million) are being finalized and will be submitted for funding by December 1997 to potential donors and the concerned UNDP offices.

(b) Two preparatory assistance projects are examining existing physical and institutional capacities in 10 African and 5 Asian LDCs in quality control, standardization, testing and metrology (QSTM). As an output, a regional workshop for 10 African LDCs is being arranged in the United Republic of Tanzania from 28 to 30 October 1997 which will result, *inter alia*, in formulating two subregional projects on QSTM. A regional workshop for Asian LDCs will be held in Lao People's Democratic Republic in November 1997. The final project documents for the subregional projects will be presented to potential donors for funding consideration.

II. SPECIAL MEASURES FOR RESOURCE MOBILIZATION

3. In preparation for the UNCTAD/UNIDO pilot seminar on mobilization of investment funds to LDCs, held in Geneva from 23 to 25 June 1997, UNIDO carried out case studies in one Asian and six African LDCs. The purpose was to examine the prospects and constraints for the development of innovative financing arrangements for the industrial sector in LDCs. The case studies, together with two other UNIDO papers on investment opportunity studies in agro-related industries and industrial infrastructure, and on privatization and investment, were reviewed by and discussed with private investors and fund managers participating in the pilot seminar. The studies clearly showed that channeling of investment funds to the industrial sector of LDCs could be fostered, if the preconditions—both at policy and institutional levels—were improved in those countries.

III. FOURTH LDC MINISTERIAL SYMPOSIUM

4. As part of its programme for the least developed countries, UNIDO holds every two years a symposium for LDC Ministers of Industry. The main objective is to create a forum for discussion and exchange of views on special needs of LDCs and concrete measures to be taken by UNIDO and LDC Governments to strengthen the industrial sector in those countries.

5. The fourth LDC Ministerial Symposium, to be convened from 26 November to 5 December 1997 in conjunction with the seventh session of the UNIDO General Conference, will provide a forum for the Ministers to discuss the issue of industrial competitiveness in LDCs in the light of increasing globalization. In dealing with this problem, the Ministers will focus on the fundamental issue of how to achieve industrial competitiveness, with special emphasis on agro-related industries.

6. Documentation for the Symposium now under preparation includes country papers by LDCs and three issue papers by UNIDO on: (a) progress and prospects for industrial development in LDCs towards the twenty-first century, (b) promoting competitiveness in agro-related industries, through capacity-building; and (c) establishment of an enabling environment to promote competitiveness.